



February 27, 2007

H.R. 990 - Pell Grant Equity Act of 2007

Floor Situation

H.R. 990 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative George Miller (D-CA) on February 12, 2007, and has not been considered by any committee in the 110th Congress.

H.R. 990 is expected to be considered on the floor on February 27, 2007.

Summary

H.R. 990 temporarily strikes the tuition sensitivity provision in the Higher Education Act. The tuition sensitivity provision reduces the Pell Grant award received by students attending low-cost postsecondary institutions. This provision is only applied once the maximum Pell Grant is \$2,700 or higher, which it has been since 1998.

By striking the tuition sensitivity provision low-income students will not be penalized for enrolling in institutions with a low cost of attendance. This will ensure that all low-income students receive the same Pell Grant award based on income and not the cost of the institution.

H.R. 990 provides a 1 year reprieve from the tuition sensitivity provision; the upcoming 2007-2008 academic year.

Background

A Federal Pell Grant is a need-based grant to low-income undergraduate students to help provide for the cost of postsecondary education. Unlike loans, the Pell Grant does not need to be repaid.

Pell Grants are based on 4 standards:

- A student's expected family income;
- The cost of attendance as determined by the postsecondary institution;
- The enrollment status of the student (full or part-time); and
- Whether the student attends for a full academic year or less.

Need is determined by the Department of Education using a standard formula, that was established by Congress.

The maximum Pell Grant award for the 2006-07 year (July 1, 2006, to June 30, 2007) is \$4,050 and for the 2007-08 year (July 1, 2007 to June 30, 2008) is \$4,310.

The Higher Education Act of 1965 was signed into law on November 8, 1965 (Public Law 89-329) as part of President Lyndon Johnson's Great Society domestic agenda. Since then, the Higher Education Act has been reauthorized in 1968, 1972, 1976, 1980, 1986, 1992, and 1998. The student loan provisions were reauthorized in the Deficit Reduction Act last Congress. The rest of the Higher Education Act, including the Pell Grant program, has been extended several times since 2003. The latest extension expires on June 30, 2007.

CBO Cost Estimate

CBO has not scored H.R. 990.

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